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August 10, 2006

To: Appointing Authorities, Personnel Officers and Union Contacts

From: Chester L. White, Director

Subject: FY2008 Pay Plan Recommendations

Attached are the Personnel Advisory Board's pay plan recommendations for Fiscal Year 2008, as provided to Governor Blunt on August 9, 2006.

In addition to the General Structure Adjustment, the Board's focus this year is on an improved performance appraisal system for state agencies, upon which future within-grade salary advancement recommendations would be based. This would lay the foundation for a long range compensation system that is competitive with the labor market and recognizes the performance and contributions of state employees.

GF:ec

Attachments

Fiscal Year 2008 Pay Plan Recommendations
PERSONNEL ADVISORY BOARD
August 8, 2006

Summary of the Recommendations

Pay Plan Element	Amount of Increase	Employees Affected
General Structure Adjustment	3.7%	All employees
Within-Grade Salary Advancement		Upon successful implementation of an improved performance appraisal system
Repositioning	(approx.) 4.0%	Six Job Classes in Two Agencies affecting 420 employees

The General Structure Adjustment is sometimes referred to as a Cost of Living Adjustment. All employees would receive this increase.

Within-grade salary advancements are pay increases within the pay range to which an employee's job classification is assigned.

Repositioning is the assignment of a job class to a higher pay range.

Totals - All Agencies				
Pay Plan Element	General Revenue	Non-General Revenue	Total	Percentage of Total Personal Service
General Structure Adjustment (3.7%)	\$49,431,920	\$48,018,843	\$97,450,763	3.7%
Within Grade Salary Advancements	\$0	\$0	\$0	0.0%
Repositioning	\$254,017	\$446,891	\$700,908	0.0%
Total All Agencies	\$49,685,937	\$48,465,734	\$98,151,671	3.7%

Above General Structure Adjustment estimate is based on FY 2007 Total Personal Service for all agencies, plus benefits in addition to salaries of 22.69%.

The estimated costs for the Uniform Classification and Pay System (UCP) are on page 13.

Fiscal Year 2008 Pay Plan Recommendations

PERSONNEL ADVISORY BOARD

August 8, 2006

Compensation Policy Elements:

General Structure Adjustment 3.7%

Within-Grade Salary Advancements

(Upon successful implementation of an enhanced Performance Appraisal system)

Repositioning

(Six job classes in two UCP agencies affecting 420 employees)

Introduction

The Personnel Advisory Board's pay plan recommendations for FY 2008 follow the most significant pay increases for state employees since the early 1990s: 4% General Structure Adjustment for all state employees and Repositioning of RNs, LPNs, Corrections Officers and Law Enforcement officers. Salary adjustments in these jobs are expected to address recruitment and retention of staff which were deemed critical to state government operations. For FY 2008 the Personnel Advisory Board recommends a General Structure Adjustment for all employees and a very focused repositioning proposal. The Board also recommends that the state improve its ability to assess employee performance. Upon successful implementation of an improved performance appraisal system, the Board will recommend that the within-grade salary advancement program be reinstated, with a shift toward rewarding those employees with the highest levels of performance. This shift reflects compensation practices of other public and private organizations, and represents both a challenge and opportunity for management and employees.

Given the continuing contributions by the state to employee benefits, the Board also suggests that the state provide information to employees on the amount of those contributions and the impact on each employee's total compensation from the state. The board believes that the state's total compensation package is more competitive than just an analysis of salaries alone would indicate.

The objective of the Board's recommendation is a long-range compensation plan to:

1. Maintain state employee compensation with that of other employers and living costs through the general structure adjustment and repositioning of specific classes as needed.
2. Generate incentive to increase the efficiency and effectiveness of state employees through the assessment and recognition of exceptional employee performance, and
3. Provide information to employees and job applicants on the total compensation package of state government employment

While repositioning will remain an element of the Board's recommendations, this long-range approach will better address the competitiveness of all state jobs than a focus on one-time rate adjustments to address recruitment and retention in specific occupations. It is hoped that these elements will be strongly considered in the appropriations process each year if the state is to attract, retain and reward employees.

The Personnel Advisory Board's recommendations for FY 2008 are described in further detail on the following pages.

GENERAL STRUCTURE ADJUSTMENT –3.7% for FY 2008

The General Structure Adjustment is an estimate of the amount it will take for state salaries to maintain their current level of competitiveness within the labor market. For FY 2008 the estimate is 3.7% based on the following economic indicators:

FY 2008 General Structure Adjustment Recommendation

Economic Indicator	FY 2008 Percentage
<u>Consumer Price Index - St. Louis CPI-U</u> All Urban Consumers, Increase in 2005 over 2004	3.3%
<u>Employment Cost Index (ECI) for Wages and Salaries</u> Midwest Region for Private Industry Workers (excludes Benefits) Increase from March 2005 to March 2006	2.7%
<u>World at Work Actual Salary Structure Increases</u> for 2006 for Non-Exempt Salaried Workers	3.6%
<u>Growth in Personal Income in Missouri (GPI)</u> Increase in Personal Income for 4 quarters ending December 2005 over the 4 quarters ending December 2004	5.2%
Average of the Indicators Listed	3.7%

The 3.7% General Structure Increase is estimated to cost \$97.4 million including 22.69% benefit payments tied to salary (\$49.4 million in General Revenue; \$48.0 million in non-General Revenue), based on the FY 2007 personal service budget.

Sometimes referred to as a "COLA," the General Structure Adjustment is designed to maintain state salary levels by providing pay increases commensurate with those being provided by other employers, and by keeping up with living costs. All employees receive the General Structure Adjustment. The Board (along with most other employers and compensation consultants) has advocated that percentage based increases are more effective than dollar based adjustments for all state employees in meeting these objectives.

Percentage Based Salary Increase

A percentage based salary increase benefits employees, and the state as an employer, by:

- ☐ Providing greater parity with percentage pay increases provided in the labor market by private and public employers, including the federal government. Essentially, keeping step with market increases, market forces and market practices.
- ☐ Providing parity between supervisor and subordinates and providing parity for higher paid employees who are more experienced and valuable to the organization.
- ☐ Offsetting increases in living costs while maintaining living standards.
- ☐ Maintaining consistent distinctions between the pay of state jobs to compensate employees for the level of duties performed. Flat dollar increases over time result in the state paying less than the market for higher paid workers in difficult to fill positions.
- ☐ Maintaining a monetary incentive for employees to seek promotional opportunities.
- ☐ Facilitating retention of employees in jobs requiring extensive educational or experiential preparation, and for which the state has invested significant resources in employee training and development.
- ☐ Facilitating the recruitment of professional employees for whom the state competes at higher pay levels.
- ☐ Facilitating retention of trained, experience and productive staff, helping to reduce training costs associated with extensive turnover.

WITHIN-GRADE SALARY ADVANCEMENTS – *Will be recommended upon development and successful implementation of an enhanced Performance Appraisal system*

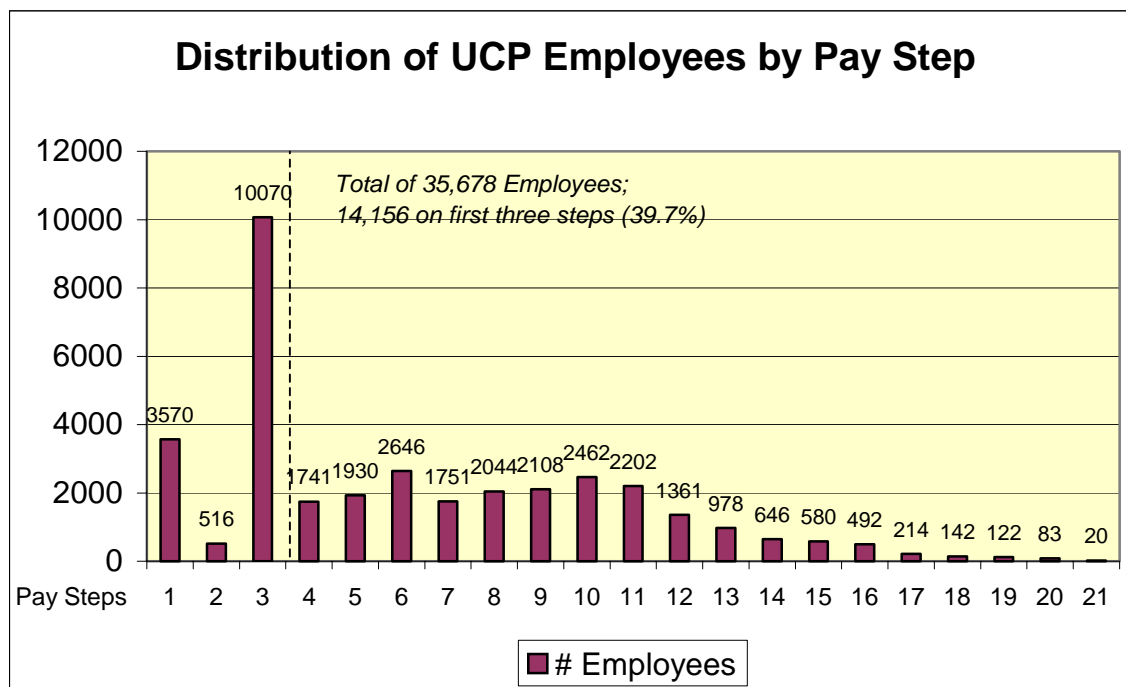
Within-grade salary advancements were designed to advance employees from step to step within the pay range while recognizing successful performance. Throughout the latter part of the 90's this approach was instrumental in moving employees closer to the market rate of the pay ranges as they successfully progressed through their state government careers. The primary advantage of this movement was maintaining some separation based on experience and longevity between employees performing similar duties. The drawback to this approach was that while successful performance was necessary, there was no distinction made between proficient and exceptional levels of performance. This challenge, along with tight budget constraints led to a lack of funding for this element since FY 2001 (July 1, 2000), even though it has been included in the Board's recommendation every year.

This performance based component of the pay plan is being redesigned in preparation for an improved within-grade salary advancement recommendation. This re-design will incorporate the valuable process of employee advancement through the pay range that this element added in the past, while at the same time, placing a stronger emphasis on recognizing exceptional performance. Of course, the extent to which a link between pay and performance can be established is dependent upon appropriations, which in turn is dependent upon how the performance appraisal process and within-grade salary advancement plan is implemented and managed in actual practice.

The major concern raised by the agencies is the same concern the Division has had for a number of years, which is that the lack of movement within pay ranges has led to low-end compression

within our pay system. This compression, compounded by the compression caused within the pay grid, in general, due to dollar-based and partial general structure adjustments, leads to further difficulty in effectively managing the state's work force. As employees feel these effects, they begin to lack the incentive to perform extraordinary work and individual requests for position reviews proliferate as the only perceived mechanism for advancement. Further, regular Within-Grade advancements will limit repositioning needs to only those circumstances where a classification is truly misaligned within the pay plan.

To a certain extent, Within-Grade Increases, or the lack thereof, also play a role in the determination of whether or not a class should be repositioned. Of the classes proposed for repositioning, most have room for advancement within the pay range for the majority of employees. In fact, throughout the pay system, about 39% of employees are paid on the first three steps of the pay ranges, consisting of at least 15 steps per range. Because Within-Grade increases have not been funded since July 2000, it appears that, in many cases, repositioning solutions are being sought to resolve Within-Grade problems.



In the Uniform Classification and Pay System, new employees receive an increase upon successful completion of probation, typically at six months, and are not eligible for a within-grade increase until 12 months later. (This within-grade movement is only possible when specifically appropriated.) Advancing employees through the pay range reduces the circumstances where new employees who complete their probationary period earn the same amount as longer term employees. In order to advance, however, employees should be exceeding standard expectations. The General Structure Adjustment would provide the increase for standard or proficient performance.

While within-grade increases are viable and necessary, the approach must be revised. The lack of funding for these advancements over the last six years combined with the above issues, emphasizes the need for a stronger performance based recommendation for the 2009 Fiscal Year.

An improved performance appraisal system will be the foundation for administering this type of plan. Here is how the performance based Within-Grade advancements will work:

- 1) The overall performance rating of an employee will be based on a determination, from Exceptional to Inadequate, for each Rating Component. The Rating Components will be further described for each employee as Performance Objectives, which will be determined by an employee's immediate supervisor as objectively as possible. The assessment of the individual Rating Components and Performance Objectives will result in a single overall rating for each employee. This will be required for all agencies in the Uniform Classification and Pay System.
- 2) The Division of Personnel will provide a tool for electronically recording, tracking and reporting the rating information.
- 3) The rating system will be implemented during FY 2007. This will provide the opportunity for employee expectations to be established by supervisors and ample time for supervisors to assess employees based on those expectations in conducting the annual performance appraisal rating.
- 4) Agency management will have access to rating statistics at all organizational levels in order to ensure scores are distributed appropriately as a measure of the effectiveness of the rating system.
- 5) Once the system is in place, a recommendation can be developed for performance based Within-Grade advancements. This can be part of the Board's recommendation for FY09.

Keys to Successful Implementation

If the performance appraisal system is to be successfully implemented it will require the commitment of resources, time and effort by agency personnel officers, managers and supervisors. Implementation must be a priority for management. Specifically, agency management must direct implementation at all levels of the organization. The performance appraisal will be focused on the main duties and responsibilities of the employee's position and be conducted objectively, though it would be denying reality to say all subjectivity will be removed from the process. It will not be overly burdensome for supervisors and managers to learn and administer. A critical component of supervisors' or managers' performance appraisals will be the assessment of their subordinates' performance. The number of employees who are rated at the highest level will be limited. The rating will include a designation of the employee's performance across rating categories by an overall performance rating for the employee. This will facilitate cross-supervisor assessment of performance by management. Training on the system will be available both on-line and face-to-face with a trainer, and will be a requirement for new supervisors. Reports will be generated to assess the ratings by agency and by job class within agency to assure equal representation throughout the workforce.

Historically, basing pay increases on distinctions in performance between and among employees has been difficult to accomplish in Missouri. Performance based pay plans have been criticized:

- As not being based on objective, measurable criteria.
- Because supervisors were not trained to conduct evaluations appropriately, resulting in similar performance being rewarded differently, or
- All employees are rated the same by a supervisor who doesn't want to upset anyone.

In the end, under within-grade plans that did not provide an increase for the vast majority of employees, the determination of the employees to receive the pay increase was perceived by some as simply "not fair." The significant funding required to reward performance has not been appropriated in light of these criticisms, some of which may have been warranted.

The focus of this effort is on the development of employees and improving employee standards, expectations and performance. Implementation and administration will require a significant

commitment by the Division of Personnel and agency personnel officers, supervisors and managers, especially in training and communicating. The Board believes that this is the right step to improving personnel management in state government and ultimately, the efficiency and effectiveness of the services provided to Missouri's citizens. Performance based Within-Grades are not simply a mechanism for a pay raise for state employees, but a mechanism for rewarding the performance of employees who are going the extra mile.

REPOSITIONING

Repositioning is the assignment of a job class to a higher pay range. It is the "fine tuning" element of the pay plan to address inequitable pay situations both internally and externally. Repositioning is used to address job classes where turnover is particularly high and the pay of state jobs is low relative to the labor market, or when the pay of some classes are compressed, not providing enough of a pay increase for employees to take on promotional responsibilities. The Governor's repositioning for RNs, LPNs, Corrections Officers and Law Enforcement Officers implemented in July 2006 for FY 2007, will help to address recruitment and retention of employees in these important functions. The following classes are being proposed by the Personnel Advisory Board for FY 2008 in response to agency requests to address pay situations that are not internally equitable.

FY 2008 CLASSES PROPOSED FOR REPOSITIONING

INDEX#	CLASS TITLE	# of Employees	FY 07 Pay Range	FY 08 Pay Range Recommendation
Department of Health and Senior Services				
000941	HEALTH FACILITIES CONSULTANT	18	A28	A29
005250	FACILITY SURVEYOR I	1	A22	A23
005251	FACILITY SURVEYOR II	56	A25	A26
005252	FACILITY SURVEYOR III	12	A27	A28
Department of Social Services				
005184	CHILDRENS SERVICE SPV	234	A21	A22
005274	CHILD SUPPORT ENFORCEMENT SPV	99	A20	A21
TOTAL EMPLOYEES				
		420		

Department of Health and Senior Services

Health Facilities Consultant and Facility Surveyor I – II – III

Recommended for a One Pay Range Increase

Effective in July for FY 2007, the classes Health Facility Nursing Consultant and Facility Advisory Nurse I – II – III (position requiring licensure as Registered Nurses) were repositioned two pay ranges to facilitate the retention of RNs in these jobs. There are other aspects to the inspection and surveying of long term care and health facilities. Surveys are conducted by survey teams. This repositioning, which is proposed for the members of the survey team who are not nurses, will maintain a measure of internal equity among team members based on the inspection and surveying activities. At this point, further repositioning of RNs is not recommended by the Board. Voluntary turnover for Facility Surveyor II, the largest class with 56 employees is 17.4% over the past year. Health Facilities Consultant is 12.5%.

Voluntary Turnover in the UCP System is 12%. When the turnover in the highest 30 classes are excluded voluntary turnover is 9.5%.

Department of Social Services

**Children's Service Supervisor and Child Support Enforcement Supervisor
Recommended for a One Pay Range Increase**

Children's Service Supervisor

Currently there is only one pay range difference between Children's Service Supervisor and Children's Service Worker II, the employees they supervise. This impedes the department's ability to attract and retain staff. Children's Service Workers are reluctant to seek promotions given the overwhelming responsibilities of the position and the marginal increase in pay with the promotion. Also, to meet standards established by the National Council on Accreditation, employees in this job class are required by DSS to have or attain a master's degree. Repositioning will assist the agency in meeting accreditation standards in filling jobs and retaining qualified staff. Turnover is about 8.5%. The pay is 20% behind that of six surrounding states.

Child Support Enforcement Supervisor

The department is recommending one pay range repositioning to equalize the pay range with Income Maintenance Supervisor I, which is a comparable job with regard to level of duties and responsibilities and staff supervised. This repositioning would establish parity by providing the same pay range as Income Maintenance Supervisor I and the same number of ranges above the employees they supervise. Turnover is about 1%. Pay is about 15% behind the pay of five surrounding states.

Estimated Cost of FY 2008 Proposed Repositioning

Title Code	Class Title	Current Pay Range	Proposed Pay Range	# of Employees	Estimated Repo Cost
Department of Health and Senior Services					
000941	HEALTH FACILITIES CONSULTANT	A28	A29	18	\$34,932
005250	FACILITY SURVEYOR I	A22	A23	1	\$1,416
005251	FACILITY SURVEYOR II	A25	A26	56	\$81,348
005252	FACILITY SURVEYOR III	A27	A28	12	\$20,952
	Health and Senior Services Total			87	\$138,648
Department of Social Services					
005184	CHILDREN'S SERVICE SPV	A21	A22	234	\$306,240
005274	CHILD SUPPORT ENFORCEMENT SPV	A20	A21	99	\$126,396
	Social Services Total			333	\$432,636
	TOTAL			420	\$571,284

Total Repositioning estimate plus benefits is \$700,908, representing less than 0.1% of Uniform Classification and Pay System FY 2006 Total Personal Service.

Repositioning of one pay range equates to an increase between 3% and 4% on the pay grid for most pay ranges. Compression between ranges and steps could result in smaller adjustments for some employees.

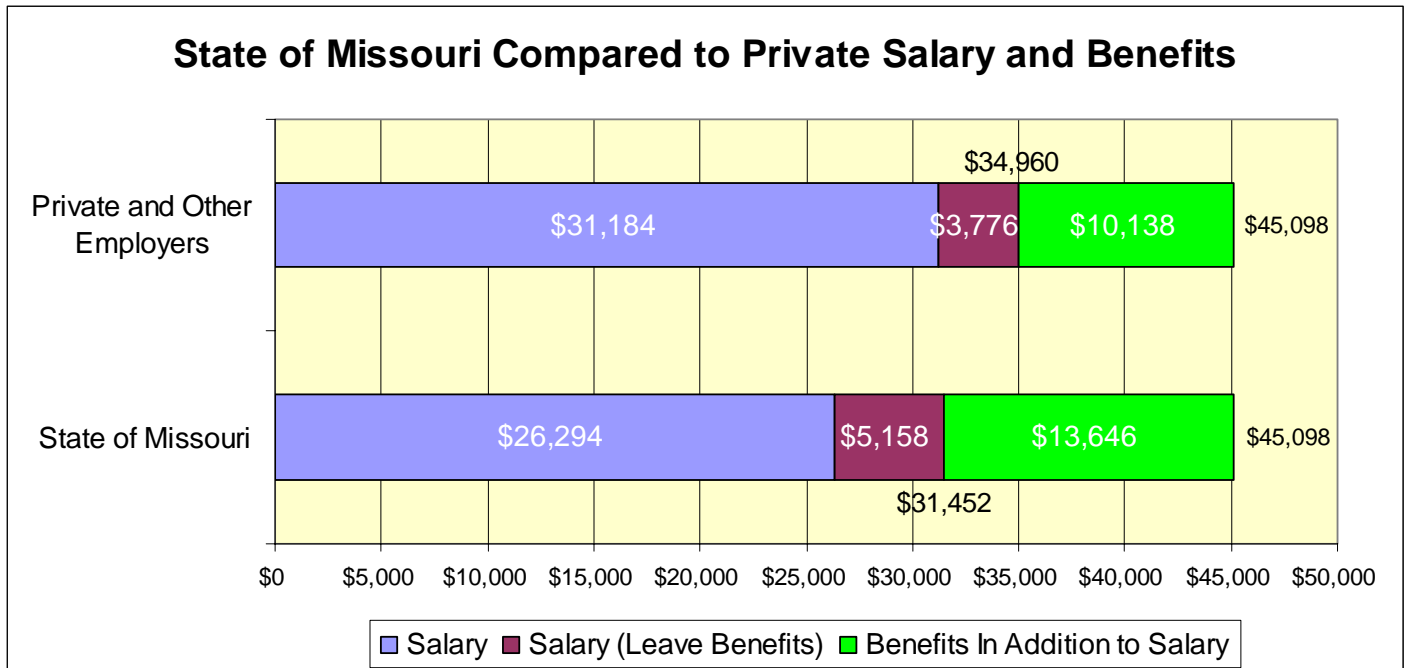
Example of variability between pay ranges and steps:

	Range & Step	Rate			Range & Step	Rate
From	A25 Step N =	\$41,688		From	A25 Step O =	\$42,480
To	A26 Step N =	\$43,344	= 4.0%	To	A26 Step O =	\$43,596 = 2.6%

BENEFIT INFORMATION

The State of Missouri's benefit plans add to the value of each employee's compensation, but to a great extent are under reported and more importantly, under appreciated. The Personnel Advisory Board would like to call attention to the significant contribution the state makes to benefit plans and to the amount that benefits add to each employee's pay. Included in each employee salary are up to 33 annual leave and holidays per year, as well as paid sick leave as occasioned by the needs of employees and their families.

The following chart represents the difference between state employee salaries and benefits plans and those of a private or other public employer, at a given "total compensation" level of \$45,098 per annum. While the state's salaries are lower, state employee benefits are higher.



"Private and Other Employers" data from U.S. Chamber of Commerce Survey (2004).
\$45,098 based on Missouri CY 2005 total salary and benefit payments divided by total FTE.

For a state employee, total compensation of \$45,098 translates to \$26,294 in pay for time worked, \$5,158 in time off and \$13,646 in benefits in addition to salary. For other employees the pay for time worked is \$31,184 while leave benefits are \$3,776. Benefits in addition to salary are \$10,138.

State Investment in Salaries and Benefits Calendar Year 2005

For Calendar Year 2005 the state invested \$2.77 billion in salaries and benefits for employees.

Total Salaries	\$1.93 Billion
Benefits in Addition to Salary	\$.84 Billion
Total Salaries and Benefits	\$2.77 Billion

Benefits in addition to salary are 43.4% of payroll and 30.3% of Total Compensation.

OVERALL RECOMMENDATION

The Uniform Classification and Pay System, administered by the Division of Personnel, attempts to maintain internal equity among job classes, and among employees, while remaining competitive within the labor market. The Board's recommendations have not included an assessment of the overall total compensation package afforded state employees until now. The amount the state contributes to benefits for state employees (about 43% in addition to salary) should not go underreported or unnoticed. The state is more competitive with the private sector than typically presumed when the total compensation package is considered, than when looking at salaries alone, although the state appears to be lower on salaries and higher on benefits than private employers in general. The state's contributions to benefits are an increasing part of the total rewards equation.

The General Structure Adjustment -- to maintain the state's salary position and keep up with living costs; an enhanced Within-Grade Salary Advancement program -- to identify and reward exceptional performance; and Repositioning -- to adjust specific classes where the state's total compensation package is less than competitive and where increasing salary levels will facilitate the recruitment and retention of employees, provide the framework for developing a competitive salary structure that is internally equitable, externally competitive and accountable to taxpayers.

The Personnel Advisory Board and the Director of Personnel look forward to continuing the cooperative effort with all other stakeholders in advancing these recommendations which, if implemented, would reward employees for the excellent work performed, and would foster the state's ability to recruit, employ, develop, motivate and retain a highly competent, well trained and productive workforce.

Missouri's Average Salary Ranking Among the 50 States

Missouri's average salary ranking among the 50 states is based on data collected by the U. S. Bureau of the Census. The data is based on the March 2005 payroll and is provided on the next page. Missouri ranks 49th in a straight salary comparison. However, when the data is adjusted for the Cost of Living in each of the states, Missouri's overall rank improves to 43rd.

<u>Salary Ranking and Cost of Living</u>	
<u>2005 U.S. Census Ranking</u>	<u>After Adjusting for Cost of Living</u>
▪ Missouri's Average Salary is \$33,276	▪ Missouri's Average Salary is \$33,276
▪ Missouri ranks 49 out of 50 states	▪ Missouri ranks 43 out of 50 states
▪ National Average Salary is \$42,364	▪ National Average Salary is \$36,994
▪ Missouri lags by 27%	▪ Missouri lags by 11%

MISSOURI AVERAGE SALARY COMPARED TO OTHER STATES

State Name	2005 Average Annual Salary	2005 Avg Salary Rank	Cost-of-Living Adjusted			
			State Index	State Index Compared to MO	C-O-L Adjusted Annual Salary*	C-O-L Adjusted Annual Salary Rank
Alabama	\$38,640	28	90.2	1.003	\$38,511	15
Alaska	\$49,116	10	127.3	1.416	\$34,686	35
Arizona	\$37,812	31	103.5	1.151	\$32,843	45
Arkansas	\$36,240	41	86.7	0.964	\$37,578	18
California	\$61,800	1	140.1	1.558	\$39,656	10
Colorado	\$50,304	8	97.4	1.083	\$46,430	3
Connecticut	\$57,216	2	125.5	1.396	\$40,986	9
Delaware	\$42,996	21	100.3	1.116	\$38,538	13
Florida	\$36,348	39	102.4	1.139	\$31,911	48
Georgia	\$35,004	45	91.5	1.018	\$34,392	37
Hawaii	\$42,120	23	163.2	1.815	\$23,202	50
Idaho	\$38,628	29	92.7	1.031	\$37,461	20
Illinois	\$51,156	7	97.5	1.085	\$47,168	1
Indiana	\$37,092	36	94.3	1.049	\$35,361	31
Iowa	\$48,732	11	93.9	1.044	\$46,656	2
Kansas	\$36,324	40	92.5	1.029	\$35,303	32
Kentucky	\$37,164	35	91.4	1.017	\$36,554	25
Louisiana	\$38,484	30	95.0	1.057	\$36,418	26
Maine	\$42,660	22	103.6	1.152	\$37,019	22
Maryland	\$46,380	17	125.9	1.400	\$33,118	44
Massachusetts	\$53,112	5	130.2	1.448	\$36,673	24
Michigan	\$47,964	13	99.0	1.101	\$43,555	7
Minnesota	\$49,884	9	99.7	1.109	\$44,981	4
Mississippi	\$32,028	50	89.5	0.996	\$32,171	47
Missouri	\$33,276	49	89.9	1.000	\$33,276	43
Montana	\$37,728	33	99.2	1.103	\$34,191	39
Nebraska	\$35,412	43	88.6	0.986	\$35,932	28
Nevada	\$48,684	12	113.6	1.264	\$38,527	14
New Hampshire	\$39,720	24	103.6	1.152	\$34,467	36
New Jersey	\$55,380	3	132.3	1.472	\$37,632	17
New Mexico	\$38,808	27	99.2	1.103	\$35,170	33
New York	\$54,684	4	126.9	1.412	\$38,740	11
North Carolina	\$37,776	32	94.5	1.051	\$35,937	27
North Dakota	\$34,920	46	92.5	1.029	\$33,938	41
Ohio	\$46,668	16	95.3	1.060	\$44,024	6
Oklahoma	\$36,612	37	88.2	0.981	\$37,318	21
Oregon	\$43,200	20	103.5	1.151	\$37,523	19
Pennsylvania	\$43,308	19	100.6	1.119	\$38,702	12
Rhode Island	\$53,112	5	124.6	1.386	\$38,321	16
South Carolina	\$34,356	47	95.3	1.060	\$32,409	46
South Dakota	\$35,268	44	94.3	1.049	\$33,622	42
Tennessee	\$35,640	42	90.2	1.003	\$35,521	29
Texas	\$36,564	38	89.4	0.994	\$36,768	23
Utah	\$37,536	34	95.0	1.057	\$35,521	29

State Name	2005 Average Annual Salary	2005 Avg Salary Rank	Cost-of-Living Adjusted			
			State Index	State Index Compared to MO	C-O-L Adjusted Annual Salary*	C-O-L Adjusted Annual Salary Rank
Vermont	\$45,564	18	117.1	1.303	\$34,980	34
Virginia	\$39,660	25	103.7	1.154	\$34,382	38
Washington	\$47,880	14	103.7	1.154	\$41,508	8
West Virginia	\$33,324	48	94.5	1.051	\$31,702	49
Wisconsin	\$46,944	15	94.9	1.056	\$44,471	5
Wyoming	\$38,976	26	103.2	1.148	\$33,953	40
United States	\$42,364				\$36,994	

*2005 Average Annual Salary ÷ "State Index Compared to Missouri" = C-O-L Adjusted Annual Salary

Source for Salary Data:

U.S. Bureau of the Census
State Government Employment and Payroll
March 2005 Data
<http://ftp2.census.gov/govs/apes/05stall.xls>

Source for Cost-of-Living Data:

Missouri Department of Economic Development
Missouri Economic Research and Information Center
Data for 4th Quarter 2005
http://www.missourieconomy.org/indicators/cost_of_living/index.stm

Census Bureau Higher Education Institutions and "Other" Higher Education Data not included.
Cost-of-Living data estimated for Maine and New Hampshire based on average of other states without Missouri.

ESTIMATED COSTS OF THE FY 2008 PAY PLAN RECOMMENDATIONS

Uniform Classification and Pay System

Pay Plan Element	General Revenue	Non-General Revenue	Total	Percentage of Total Personal Service
General Structure Adjustment (3.7%)	\$37,810,245	\$24,004,667	\$61,814,912	3.7%
Within Grade Salary Advancements	\$0	\$0	\$0	0.0%
Repositioning	\$254,017	\$446,891	\$700,908	0.0%
Total UCP System Agencies	\$38,064,262	\$24,451,558	\$62,515,820	3.7%

Non-UCP System Agencies

Pay Plan Element	General Revenue	Non-General Revenue	Total	Percentage of Total Personal Service
General Structure Adjustment (3.7%)	\$11,621,675	\$24,014,176	\$35,635,851	3.7%
Within Grade Salary Advancements	\$0	\$0	\$0	0.0%
Total Non-UCP System Agencies	\$11,621,675	\$24,014,176	\$35,635,851	3.7%

Totals - All Agencies

Pay Plan Element	General Revenue	Non-General Revenue	Total	Percentage of Total Personal Service
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Repositioning	\$254,017	\$446,891	\$700,908	0.0%
Total All Agencies	\$49,685,937	\$48,465,734	\$98,151,671	3.7%

General Structure Adjustment estimate is based on FY 2007 Total Personal Service Appropriations.

Repositioning estimate is based on July 2006 data from the SAM II HR/Payroll System.

Repositioning estimate is less than 0.1% of UCP System Total Personal Service.

Above estimates include benefits tied to salaries of 22.69%